

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| THE APPLICATION OF WEST OLDHAM UTILITIES, |) | |
| INC. FOR A DEVIATION FROM THE MINIMUM WATER |) | |
| STORAGE REQUIREMENT OF 807 KAR 5:066, SECTION |) | CASE NO. |
| 5(4), FROM THE METER TEST CARDS OF 807 KAR |) | 90-213 |
| 5:006, SECTION 15(1), AND FROM PRESSURE |) | |
| GAUGES OF 807 KAR 5:066, SECTION 6(2) |) | |

O R D E R

By letter filed on July 18, 1990, West Oldham Utilities, Inc. ("West Oldham") requested a deviation from Commission Regulation 807 KAR 5:066, Section 5(4), which provides that each utility shall provide water storage to ensure a minimum of one day's supply of its average daily water usage; a deviation from Commission Regulation 807 KAR 5:006, Section 15(1), which requires each utility to maintain a complete record of tests of each meter for at least two continuous periodic test periods and in no case for less than two years; and a deviation from Commission Regulation 807 KAR 5:066, Section 6(2), which requires that each utility shall provide itself with one or more recording pressure gauges for the purpose of making pressure surveys.

On September 20, 1990, the Commission issued a data request giving West Oldham 10 days to provide additional information. By letter received on October 5, 1990 West Oldham requested an extension of time until October 30, 1990. On October 25, 1990, West Oldham provided some information to the Commission. On

November 27, 1990, an informal conference was held in the Commission's offices with a representative of West Oldham. The response of West Oldham to the Commission's September 20, 1990 data request was discussed and West Oldham agreed to provide the Commission with further information within 30 days. At the informal conference, West Oldham agreed to maintain test cards on all new and rebuilt meters installed after December 6, 1990 in accordance with 807 KAR 5:006, Section 15. West Oldham agreed to maintain the test cards for one year after the meters are taken out of service. At the conference, West Oldham also requested that it be granted a deviation from Commission Regulation 807 KAR 5:066, Section 17(1), which requires utilities to periodically test all water meters so that no meter remains in service without a test for a period longer than specified in the regulation. West Oldham requested that it be allowed to test all 5/8 x 3/4 inch meters every 10 years or one million gallons of water registered, whichever comes first, and all other meters every 10 years. Current Commission regulations require 5/8 x 3/4 inch meters to be tested every 5 years, and larger meters more frequently.

On December 12, 1990, West Oldham filed the information requested by Staff at the informal conference. Additional information was filed on January 3 and January 30, 1991. In its January 3, 1991 filing, West Oldham requested that it be allowed to perform pressure surveys every 5 years, instead of annually as required by 807 KAR 5:066, Section 6(3).

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. West Oldham has furnished a statement from the Louisville Water Company ("LWC") which assures that stored water will be made available to West Oldham's customers in the same manner and for the same purpose as all other customers of LWC. This commitment is for a period of 17 years. West Oldham should therefore be granted a deviation from the water storage requirements of 807 KAR 5:066, Section 5(4).

2. West Oldham has furnished a statement from LWC in which LWC agrees to test West Oldham's water meters using certified test equipment acceptable to the Public Service Commission. West Oldham also furnished information indicating that its unaccounted-for water is 3.5 percent, which includes line flushing. This low line loss justifies a deviation from the test interval requirements of 807 KAR 5:066, Section 17(1), with respect to 5/8 x 3/4 inch meters, but not with respect to larger meters.

3. There is a continuous recording pressure gauge on LWC's tank which is located within 4,000 feet of every West Oldham metered customer. This pressure monitoring device provides adequate and accessible information with respect to the water pressure in West Oldham's system, and West Oldham should therefore be granted a deviation from the requirement of possessing pressure gauges of 807 KAR 5:066, Section 6(2). West Oldham should also

be granted a deviation from 807 KAR 5:066, Section 6(3), insofar as it should be allowed to conduct a pressure survey of its system once every 5 years, instead of annually.

4. Although West Oldham agreed at the informal conference to maintain meter test cards on all new and rebuilt meters installed after December 6, 1990 in accordance with 807 KAR 5:006, Section 15, and to maintain the test cards for one year after meters are taken out of service, it has not demonstrated that good cause exists to grant it a deviation from the stricter standards of the regulation. Therefore, West Oldham's request for a deviation from 807 KAR 5:006, Section 15(1) and (2), should be denied.

IT IS THEREFORE ORDERED that:

1. West Oldham's request for a deviation from 807 KAR 5:066, Section 5(4), is hereby granted, effective until December 3, 2007, or as long as the agreement made December 3, 1990 with LWC remains in effect.

2. West Oldham's request for a deviation from 807 KAR 5:066, Section 17(1), is hereby granted with respect to 5/8 x 3/4 inch meters. West Oldham shall test all 5/8 x 3/4 inch meters every 10 years or one million gallons of water registered, whichever comes first. West Oldham's request for a deviation from 807 KAR 5:066, Section 17(1), is hereby denied with respect to meters other than 5/8 x 3/4 inch. West Oldham shall test all such meters in accordance with the existing regulation.

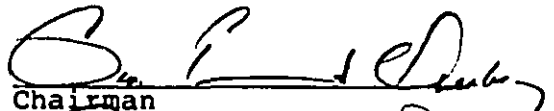
3. West Oldham's request for a deviation from 807 KAR 5:066, Section 6(2), is hereby granted.

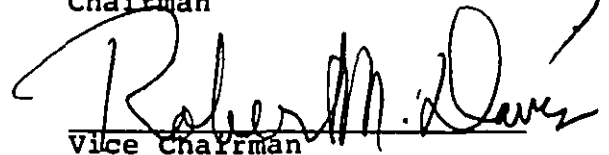
4. West Oldham's request for a deviation from 807 KAR 5:066, Section 6(3), is hereby granted. West Oldham shall perform a pressure survey of its system at least once every 5 years.

5. West Oldham's request for a deviation from 807 KAR 5:006, Section 15(1) and (2), is hereby denied. West Oldham shall keep a record of tests of all meters for at least 2 consecutive years.

Done at Frankfort, Kentucky, this 1st day of November, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director